



CHANCELLOR OF THE EXCHEQUER

INCOMES, INFLATION AND UNEMPLOYMENT

I refer to your personal note of July 7 following my House of Commons Speech of July 1 on the above topics.

2. As best as I am able to judge there really is not much difference in substance between us; although I do not feel equipped to judge on the range of factors which affect short term movements of inflation as opposed to short term movements of individual prices.

3. Obviously there will often be nuances of style in the way we present broadly similar arguments. For example I recently did a BBC-2 broadcast and expressed a cautious optimism on the likely trend in prices. I am afraid this could be contrasted with your Panorama broadcast on July 7 when you forecast inflation falling "sharply" during the second half of this year.

4. Perhaps it would be helpful if the Financial Secretary and ourselves had a discussion on these matters.

*In "THE MONITOR"
AHEAD*

*i.e. JUNE FIGS (NEXT WED)
JULY FIGS (IN AUG)*

WJB

JOHN BIFFEN

9 July 1980

21.9%

*↓
? < 17%*

= "SHARPLY"!!

But v. inc. B. 200!

Yes